

Group Term Life Insurance Coverage Opportunity for State of Indiana Employees

American United Life Insurance Company®
a ONEAMERICA® company
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Life Insurance Coverages Offered by American United Life Insurance Company® (AUL)

Why do you need group life insurance coverage?

If you were to die, would your surviving dependents be able to meet these financial obligations?

- Mortgage or rent
- Debt liquidation: Credit card balances and/or installment loans
- Education costs for your children
- On-going expenses including childcare, food, clothing, utilities
- Immediate financial obligations: Burial expenses, taxes, medical expenses, and legal fees

Many working Americans today are under-insured...

- 32% of all U.S. households have no life insurance¹
- 44% of households that have life insurance say they don't have enough²
- The average gap in life insurance coverage is \$200,000²

What can AUL's Group Term Life Insurance coverage offer?

- Affordable life insurance coverage for you and your dependents
- Continuation of insurance options if employment ends
- Accelerated Life Benefits (ALB) for you and your spouse

How much life insurance do you need?

- You make the decision based on the amount of premium you want deducted from your paycheck and the maximum amount of coverage offered

How do eligible employees apply?

Eligible **full-time** State of Indiana employees may apply for coverage under the group life insurance policy. All applications must be completed and submitted within the enrollment period established for your agency. All applications must be completed using an AUL application form. If employees do not apply for coverage during the designated enrollment period, they will not be able to apply until the next annual enrollment period.

Please Note: Basic life insurance coverage is a prerequisite for approval of supplemental life insurance coverage. Basic life insurance and supplemental life insurance coverages are prerequisites for approval of dependent life insurance coverage. Employees who did not apply for coverage during their initial enrollment periods are first required to submit Evidence of Insurability, undergo medical underwriting, and receive approval from AUL before any coverage will exist.

Please contact the Benefits Coordinator within your agency for assistance with the application process. A copy of the contracts can be reviewed on the State Personnel website located at www.in.gov/jobs/benefitsummaries.htm.

¹ Retzloff, C. D., (2005). *Trends in life insurance ownership*. Windsor, CT: LIMRA International, Inc.

² U.S. Life Insurance Ownership Study (2005). Windsor, CT: LIMRA International, Inc.

Basic Life and AD&D Insurance Coverage Features

Basic life and AD&D insurance coverages are being offered to eligible **full-time** State of Indiana employees.

The amount of basic life and AD&D insurance coverage is equal to an employee's annual salary rounded up to the next \$1,000 multiplied by 150%. The amount of coverage will change automatically according to changes to an employee's salary.

Basic Life and AD&D Insurance Premium:

Both the State of Indiana and employee share the premium cost for basic life and AD&D insurance. The bi-weekly premium rate for basic life and AD&D insurance is \$0.233 per one thousand of rounded annual salary. The monthly premium rate is \$0.337 per one thousand of coverage. The actual amount of premium will be deducted from your paycheck and will be shown on your payroll statements.

Supplemental Life Insurance Coverage Features

Supplemental life insurance is available to eligible **full-time** State of Indiana employees. Individuals must first select basic life insurance coverage in order to apply and be approved for supplemental life insurance.

Employees may apply for supplemental life insurance coverage in increments of \$10,000 up to a maximum of \$150,000. Upon reaching age 65, any amount of coverage in excess of \$100,000 will automatically reduce to \$100,000.

Supplemental Life Insurance Premium:

Employees are responsible for paying 100% of the premium for supplemental life insurance. The premium for supplemental life insurance will increase as the employee enters the next age bracket. The supplemental life insurance premium rates per \$10,000 of coverage are being offered as follows:

Age	Bi-Weekly Premium Rate	Monthly Premium Rate³	Age	Bi-Weekly Premium Rate	Monthly Premium Rate³
18 to 29	\$0.50	\$1.10	50 to 54	\$2.00	\$ 4.30
30 to 39	\$0.50	\$1.10	55 to 59	\$3.20	\$ 6.90
40 to 44	\$0.80	\$1.70	60 to 64	\$4.60	\$10.00
45 to 49	\$1.30	\$2.80	65 & Over ⁴	\$7.40	\$16.00

Charts reflecting the premium costs for coverage amounts being offered in \$10,000 increments are attached to this document. The actual amount of premium will be deducted from your paycheck and will be shown on your payroll statements.

³ For agencies billed directly by AUL

⁴ Maximum of \$100,000 in coverage offered to employees age 65 and over

Dependent Life Insurance

Life insurance coverage for eligible dependents is available to eligible **full-time** State of Indiana employees. Individuals must first select basic and supplemental life insurance in order to apply and be approved for dependent life insurance.

Definition of Dependent:

In order for an employee to apply and be approved for dependent life insurance, the person must satisfy the following definition:

"**DEPENDENT** means:

- 1) A Person's legal spouse.
- 2) A Person's unmarried child, step-child, foster child, or adopted child of the Person or the Person's spouse, or any child who resides in the Person's home for whom the Person or spouse has been appointed legal guardian under the age of 19 (or under the age 23, if the child is a full-time student at an education institution). A Person's child shall remain a Dependent until the earliest of the following dates:
 - a) the date of marriage;
 - b) the end of the calendar year in which the child attains age 19; (or age 23, if the child is a full-time student at an educational institution).
- 3) A Person's unmarried child who is incapable of self-sustaining employment as a result of mental or physical disability and is chiefly dependent upon the Person for support and maintenance. The child must have been incapacitated prior to age 19 and while insured as a Dependent under this policy. Extension of coverage is subject to AUL's receiving written proof of the incapacity not later than 120 days after the end of the calendar year in which the maximum age is attained. Coverage for such child will continue until the Person discontinues his coverage or the disability no longer exists. Proof of continued incapacity shall be required not more than once each year thereafter."

Dependent Life Insurance Options:

Employees may **only apply for one** of the following coverages for eligible dependent(s):

Option	Spouse Only	Child(ren) Only	Spouse and Child(ren)
A	\$5,000	\$5,000	\$5,000 each
B	\$10,000	\$10,000	\$10,000 each
C	\$15,000	\$15,000	\$15,000 each

The above coverage options are available. If you wish to apply for dependent life insurance, you must select one of these options and correctly identify each dependent that will be insured.

Dependent Life Insurance Premium:

Employees are responsible for 100% of the premium for dependent life insurance coverage. The premium rates for dependent life insurance coverage are being offered as follows:

Option	Spouse Only	Bi-Weekly Premium Rate	Monthly Premium Rate⁵
A	\$5,000	\$0.72	\$1.56
B	\$10,000	\$1.44	\$3.12
C	\$15,000	\$2.16	\$4.68
Option	Child(ren) Only	Bi-Weekly Premium Rate	Monthly Premium Rate⁵
A	\$5,000	\$0.45	\$0.98
B	\$10,000	\$0.90	\$1.95
C	\$15,000	\$1.35	\$2.93
Option	Spouse and Child(ren) Benefit	Bi-Weekly Premium Rate	Monthly Premium Rate⁵
A	\$5,000 each	\$1.00	\$2.17
B	\$10,000 each	\$2.00	\$4.33
C	\$15,000 each	\$3.00	\$6.50

The actual amount of premium will be deducted from your paycheck and will be shown on your payroll statements.

Coverage Features

Suicide Exclusion Clause:

"If a person commits suicide, while sane or insane, (1) within two (2) years from the later of January 1, 2006, or the effective date of Personal Insurance, the benefits payable will be limited to the premiums paid; or (2) two (2) or more years after the effective date of Personal Insurance, but within two (2) years of the effective date of an increase in the amount of coverage previously obtained, the benefits payable will be limited to the coverage obtained prior to the effective date of the increase, if any, plus the premiums paid for the increased coverage."

Accelerated Life Benefit:

Employee - If eligible for this benefit, you may apply for payment of [25%] or [50%] of the amount of basic life coverage and supplemental life coverage, if applicable.

This benefit is available on a Life Amount of \$10,000 or more. The maximum payment is limited to [25%] or [50%] of the amount of life coverage or \$250,000, whichever is less.

Spouse - If the amount of dependent spouse coverage is \$15,000.00 and eligible for this benefit, your spouse may apply for payment of [25%] or [50%] of the amount of dependent life coverage. This benefit is available only on the dependent spouse coverage of \$15,000.

⁵ For agencies billed directly by AUL

Conversion and Transfer of Coverage Options:

If group basic, supplemental and dependent life insurance coverage or a portion of it ceases, insureds may be entitled to apply for an individual whole life conversion contract.

If an insured's supplemental life insurance coverage terminates due to termination of employment and the insured is under age 70, the insured may transfer any personal insurance existing under the supplemental life insurance policy to another group life insurance policy offered by AUL. **NOTE: The transfer of coverage privilege does not apply to and is not an option under basic or dependent life insurance coverage.**

For further information, insureds can contact AUL or review their insurance contract for details as to eligibility and how to apply for these options. A copy of the contract can be reviewed on the State Personnel website located at www.in.gov/jobs/benefits/benefitsummaries.htm.

Beneficiary Designations:

It is imperative and helps avoid payment delays if understandable beneficiary designations are provided. Sample and recommended beneficiary designations can be reviewed at www.employeebenefits.aul.com. After reaching that site:

- 1) Click on "Forms & Tools".
- 2) Go to the "Find Forms by Category" and click on the drop down box.
- 3) Select "State of Indiana Policyholders Only" and click on the "Search" button.
- 4) Click on "Beneficiary Designation Sample".

Please note: Insureds are not able to designate a beneficiary for the dependent life insurance coverage since the employee is always the beneficiary for dependent life insurance coverage.

Customer Service:

If you should have any questions or require additional information, feel free to contact an AUL representative at 1-800-673-3216.

Some forms are available on our website at www.employeebenefits.aul.com. In order to access the forms:

- 1) Click on "Forms and Tools".
- 2) Go to the "Find Forms by Category" and click on the drop down box.
- 3) Select "State of Indiana Policyholders Only" and click on the "Search" button.
- 4) Click on the required form.

**State of Indiana
Supplemental Life Insurance Premium Rates**

Monthly rates based upon \$10,000 increments⁶

AGE

Amount of Coverage	18 to 29	30 to 39	40 to 44	45 to 49	50 to 54	55 to 59	60 to 64	65+
\$10,000	\$1.10	\$1.10	\$1.70	\$2.80	\$4.30	\$6.90	\$10.00	\$16.00
\$20,000	\$2.20	\$2.20	\$3.40	\$5.60	\$8.60	\$13.80	\$20.00	\$32.00
\$30,000	\$3.30	\$3.30	\$5.10	\$8.40	\$12.90	\$20.70	\$30.00	\$48.00
\$40,000	\$4.40	\$4.40	\$6.80	\$11.20	\$17.20	\$27.60	\$40.00	\$64.00
\$50,000	\$5.50	\$5.50	\$8.50	\$14.00	\$21.50	\$34.50	\$50.00	\$80.00
\$60,000	\$6.60	\$6.60	\$10.20	\$16.80	\$25.80	\$41.40	\$60.00	\$96.00
\$70,000	\$7.70	\$7.70	\$11.90	\$19.60	\$30.10	\$48.30	\$70.00	\$112.00
\$80,000	\$8.80	\$8.80	\$13.60	\$22.40	\$34.40	\$55.20	\$80.00	\$128.00
\$90,000	\$9.90	\$9.90	\$15.30	\$25.20	\$38.70	\$62.10	\$90.00	\$144.00
\$100,000	\$11.00	\$11.00	\$17.00	\$28.00	\$43.00	\$69.00	\$100.00	\$160.00
\$110,000	\$12.10	\$12.10	\$18.70	\$30.80	\$47.30	\$75.90	\$110.00	N/A
\$120,000	\$13.20	\$13.20	\$20.40	\$33.60	\$51.60	\$82.80	\$120.00	N/A
\$130,000	\$14.30	\$14.30	\$22.10	\$36.40	\$55.90	\$89.70	\$130.00	N/A
\$140,000	\$15.40	\$15.40	\$23.80	\$39.20	\$60.20	\$96.60	\$140.00	N/A
\$150,000	\$16.50	\$16.50	\$25.50	\$42.00	\$64.50	\$103.50	\$150.00	N/A

State of Indiana Dependent Life Insurance Premium Rates

Option	Spouse Only	Monthly Premium Rate⁶
A	\$5,000	\$1.56
B	\$10,000	\$3.12
C	\$15,000	\$4.68
Option	Child(ren) Only	Monthly Premium Rate⁶
A	\$5,000	\$0.98
B	\$10,000	\$1.95
C	\$15,000	\$2.93
Option	Spouse and Child(ren) Benefit	Monthly Premium Rate⁶
A	\$5,000 each	\$2.17
B	\$10,000 each	\$4.33
C	\$15,000 each	\$6.50

⁶ For agencies billed directly to AUL

State of Indiana
Supplemental Life Insurance Premium Rates

Bi-weekly rates based upon \$10,000 increments

Amount of Coverage	AGE							
	18 to 29	30 to 39	40 to 44	45 to 49	50 to 54	55 to 59	60 to 64	65+
\$10,000	\$0.50	\$0.50	\$0.80	\$1.30	\$2.00	\$3.20	\$4.60	\$7.40
\$20,000	\$1.00	\$1.00	\$1.60	\$2.60	\$4.00	\$6.40	\$9.20	\$14.80
\$30,000	\$1.50	\$1.50	\$2.40	\$3.90	\$6.00	\$9.60	\$13.80	\$22.20
\$40,000	\$2.00	\$2.00	\$3.20	\$5.20	\$8.00	\$12.80	\$18.40	\$29.60
\$50,000	\$2.50	\$2.50	\$4.00	\$6.50	\$10.00	\$16.00	\$23.00	\$37.00
\$60,000	\$3.00	\$3.00	\$4.80	\$7.80	\$12.00	\$19.20	\$27.60	\$44.40
\$70,000	\$3.50	\$3.50	\$5.60	\$9.10	\$14.00	\$22.40	\$32.20	\$51.80
\$80,000	\$4.00	\$4.00	\$6.40	\$10.40	\$16.00	\$25.60	\$36.80	\$59.20
\$90,000	\$4.50	\$4.50	\$7.20	\$11.70	\$18.00	\$28.80	\$41.40	\$66.60
\$100,000	\$5.00	\$5.00	\$8.00	\$13.00	\$20.00	\$32.00	\$46.00	\$74.00
\$110,000	\$5.50	\$5.50	\$8.80	\$14.30	\$22.00	\$35.20	\$50.60	N/A
\$120,000	\$6.00	\$6.00	\$9.60	\$15.60	\$24.00	\$38.40	\$55.20	N/A
\$130,000	\$6.50	\$6.50	\$10.40	\$16.90	\$26.00	\$41.60	\$59.80	N/A
\$140,000	\$7.00	\$7.00	\$11.20	\$18.20	\$28.00	\$44.80	\$64.40	N/A
\$150,000	\$7.50	\$7.50	\$12.00	\$19.50	\$30.00	\$48.00	\$69.00	N/A

State of Indiana Dependent Life Insurance Premium Rates

Option	Spouse Only	Monthly Premium Rate
A	\$5,000	\$0.72
B	\$10,000	\$1.44
C	\$15,000	\$2.16
Option	Child(ren) Only	Monthly Premium Rate
A	\$5,000	\$0.45
B	\$10,000	\$0.90
C	\$15,000	\$1.35
Option	Spouse and Child(ren) Benefit	Monthly Premium Rate
A	\$5,000 each	\$1.00
B	\$10,000 each	\$2.00
C	\$15,000 each	\$3.00

Notes:

This invitation to inquire allows interested employees an opportunity to inquire further about group life insurance coverage and is limited in its description of the losses for which benefits may be payable. The contract has exclusions, limitations, reduction of benefits, and terms under which the contract may be continued in force or discontinued. The contract may contain a waiting or elimination period between the effective date of the contract and the effective date of coverage, and a time period between the date a loss occurs and the date benefits begin to be payable for the loss.

If a choice of the amount of benefits is offered, the amount of benefits provided depends upon the coverage selected and premiums can vary with the amount of benefits selected. If a range of benefit levels is present, the applicant is only entitled to the benefit level shown in the contract.

Actual premiums will be calculated by AUL. Premium rates do increase upon reaching certain age brackets, according to contract terms, and are subject to change.

Premium payments greater than the amount of premium owed to AUL will not result in additional coverage under AUL's contract. If premium deductions were taken for any coverage not previously approved by AUL, a refund of any earned premiums should be requested from your agency. Future payments will also not result in coverage not previously approved by AUL

Any payable benefit is based on a percentage of an employee's covered earnings subject to AUL's approval, contract maximums, contract reductions, and according to contract terms and conditions.